REMARKS

In the office action of October 4, 2004, the Examiner rejected claims 1-10 and 14-23 under § 102(b) by Burts, and claims 11-13 and 24-27 under § 103(a) by Burts in view of MacQuoid.

Applicant notes that the MacQuoid patent application has the same inventor (MacQuoid) and is commonly owned with the present application, and was filed only 3 months prior to the present application, and under 35 U.S.C. § 103(c) can not be used for a § 103 rejection.

Accordingly, Applicant requests that the Examiner withdraw the rejections based on § 103.

Applicant has amended claim 1 to include the material of previous claim 11. The prior art does not teach using pelletized coconut coir. Applicant therefore believes that Claim 1 is allowable and asks the Examiner to withdraw the rejection and allow claims 1-10 and 12-16.

Applicant has amended claim 17 to require that the mixture consist essentially of coconut coir and drilling fluid. The prior art does not teach the use of coconut coir exclusively as a lost circulation additive. Conversely, Burts teaches that coir and other fibers are added in combination with crosslinking polymers, etc. Applicant therefore requests that the Examiner allow claim 17 and dependent claims 19-21. Claims 20 and 21 refer to the coir being a percent of the mixture. Applicant notes that the mixture is the mixture of the drilling fluid and coir lost prevention additive, as noted in the preamble of the claim. Applicant therefore believes that claims 20 and 21 should not be objected to under § 112.

Applicant has amended claim 24 to include the material of previous independent claim 22, and has canceled claim 22. Claim 23 has accordingly been canceled and recast as claim 28, depending from claim 24. Applicant therefore believes that claims 24-28 are allowable and requests that the examiner withdraw any rejections.

BATEMAN IP LAW GROUP 8 EAST BROADWAY, SUITE 550 P.O. BOX 1319 SALT LAKE CITY, UTAH 84110

Applicant therefore believes that the application is in condition for allowance, and respectfully requests that the Examiner withdraw the rejections. Applicant has included a credit card authorization in the amount of \$225 to cover the small entity two month extension. The commissioner is hereby authorized to credit any overpayment or debit any amount due to Deposit Account No. 50-2720. Should the Examiner have any concerns with the present amendment, it is requested that she contact Applicant's counsel, Randall B. Bateman, at (801) 533-0320 to resolve such concerns.

Sincerely,

BATEMAN IP LAW ØRQUP

Randall B. Bateman

Reg. No. 37,774

8 East Broadway, Suite 550

P.O. Box 1319

Salt Lake City, UT 84110

Tel. (801) 533-0320

Fax. (801) 533-0323

E-mail: <u>rbb@utah-ip.com</u>

BATEMAN IP LAW GROUP 8 East Broadway, Suite 550 P.O. Box 1319 SALT LAKE CITY, UTAH 84110

In the Drawings:

Please replace Figure 1 with the amended Figure 1. A copy showing the changes in redline has been provided.



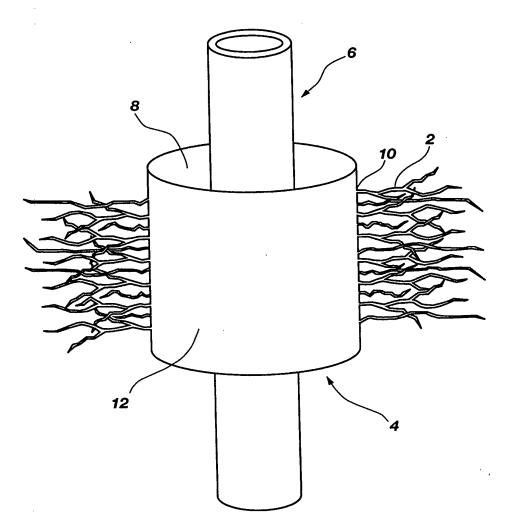


FIG. 1 (Prior Art)